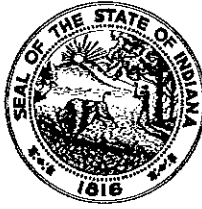


STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Political Subdivisions
FROM: Micah G. Vincent, Commissioner *MGV*
RE: Controlled Projects
DATE: May 29, 2013

On May 9, 2013, Governor Mike Pence signed into law House Enrolled Act 1116 ("HEA 1116"). Sections 8, 9, 10, and 19 of HEA 1116 introduce changes affecting controlled projects. This memorandum addresses these changes, which take effect July 1, 2013. Please note that this memorandum is intended to be an informative bulletin, not a substitute for reading the law.

Section 8 adds IC 6-1.1-20-0.5, which applies to a preliminary determination to issue bonds or enter into a lease made after June 30, 2013. In determining whether a project is a controlled project and whether the petition and remonstrance process or the referendum process applies to the project, the cost of the project does not include expenditures for the project that will be paid from donations or other gifts:

- (1) that are received by the political subdivision; and
- (2) for which the political subdivision adopts an ordinance or resolution pledging that the donations or other gifts will be used exclusively for expenditures on the project's costs.

Section 9 amends IC 6-1.1-20-3.1 (which governs the controlled project petition and remonstrance process) to eliminate the subdivision governing high school buildings and to incorporate this content into another subdivision, which now requires use of the petition and remonstrance process for controlled projects involving elementary school buildings, middle school buildings, high school buildings, or other school buildings for academic instruction to be used for any combination of kindergarten through grade 12 and that will *not* cost more than \$10,000,000. Through section 10 of HEA 1116, similar changes are made to IC 6-1.1-20-3.5 (which governs controlled projects subject to referendum) so that now the referendum process applies to controlled projects involving elementary school buildings, middle school buildings, high school buildings, or other school buildings for academic instruction to be used for any combination of kindergarten through grade 12 and that will cost *more* than \$10,000,000. Please note, all other controlled projects continue to be governed by the \$12,000,000 threshold.

Non-code section 19 provides that the amended versions of IC 6-1.1-20-3.1 and IC 6-1.1-20-3.5 apply only to a controlled project for which the proper officers of a political subdivision make a preliminary determination under IC 6-1.1-20 after June 30, 2013. This non-code section expires January 1, 2016.

Contact Information

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